

June 1, 2012

Barry Wood  
Director Assessment Division  
Department of Local Government Finance  
Indiana Government Center North  
100 North Senate Avenue N1058(B)  
Indianapolis, IN 46204

Dear Barry,

We have completed the ratio study for the 2012 Posey County trending. All sales that we deemed valid were used, including multi-parcel sales and land sales that have since been improved. We also included 2010 sales so that we had a better base of sales to determine whether values needed to increase, decrease, or stay the same in a given neighborhood. After speaking to numerous real estate agents and appraisers, we determined no time adjustment was necessary.

### **Residential and Ag Homesites**

Bethel, Black, Center, Harmony, Lynn, Point, Robb, and Smith Townships were grouped together to create a better market comparison for vacant land sales. The townships were grouped together because they share similar economic factors. This allowed us to include all sales in a similar area, rather than basing land rates on one or two sales. Marrs and Robinson Townships are not grouped with any other townships. Rates were changed where necessary. There are increases in parts of the county because there were some properties that were classified as "residential" but had "agricultural" land rates assessed to the parcels. Some subdivisions had inequities in the land rates as well, and those have been adjusted, creating equity in those areas. Also, we grouped Bethel, Black, Point, and Smith Townships together for the "Improved Residential" portion of the ratio study. These townships were grouped together because they share similar economic factors. Also, trending factors have been added to help bring the median ratios closer to 1.00.

### **Commercial and Industrial**

We grouped all of the Commercial and Industrial properties together. The construction types and sizes for the Commercial and Industrial properties are very similar, so these two categories were grouped together when we were developing trending factors. They are grouped that way on the ratio study as well. We also included 2010 sales so there was a larger pool of sales. Due to a lack of zoning, we have only two vacant Commercial or Industrial sales. After reviewing these sales and speaking with local appraisers, we feel that our land rates are still correct. Trending factors were added to help bring the median ratios closer to 1.00, if they were needed at all.

## **Summary**

Overall, we saw a wide range of changes to Residential property. We spent a lot of time trying to create equity within the county and valuing property for their current use. There were some drops in Commercial and Industrial properties. In some cases, it was removal of buildings, but also the market showed that values were high and needed to come down.

There are very few Commercial and Industrial unimproved land sales, due to the fact that most land available for sale in Posey County is in row crop. That is the reason we only have two vacant land sales for Commercial and Industrial properties.

Sincerely,

Nancy Hoehn